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MARKET ADMINISTRATOR

Market Administrator's

BULLETIN

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Drop In Milk Cow Numbers Shows Sharpest Decline Since 1959

The Dairy Situation, Economic Research Service USDA, February, 1963

The number of milk cows and heifers 2 years old and over kept for milk dropped 2.3 percent in 1962 compared with 0.9 percent in 1960 and 1961. This decrease reflects: (1) The fall in milk prices, which occurred as a result of the April 1 decline in price supports; (2) the fall in the milk-feed price ratio after April 1, coupled with drought conditions which limited the amount of forage and pasture available in a number of important dairy States; (3) the decline in the milk-beef price ratio, which fell to 0.15 last March after remaining at levels favorable to milk production since mid-1960; and (4) opportunities for off-farm employment as national economic conditions improved in 1962 and nonfarm employment increased.

In 1963, milk cow numbers are likely to continue their decline, because the same conditions except drought are expected to favor milk production less than in the past few years.

Cows and heifers 2 years old and over kept for milk in the contiguous 48 States were 18,711,000 on January 1 this year compared with a revised figure of 19,148,000 a year earlier, a drop of 437,000 during calendar 1962, the largest since 1959. In 1955-60,

cow numbers fell an average of 787,000 per year. In calendar years 1960 and 1961, the decline was small, running less than 200,000 in each year.

During 1962, the number of cows and heifers kept for milk increased only in Wisconsin, where they rose 1 percent. In 3 minor producing States — Delaware, Arizona, Nevada — and in California, cow numbers remained unchanged from January 1, 1962. Cow numbers were reduced by more than 5 percent in 11 States. These include Rhode Island, Illinois, Missouri, South Dakota, Nebraska, Kansas, West Virginia, Mississippi, Arkansas, Oklahoma, and Montana. In the North Atlantic, East North Central, and Western areas, cow numbers declined 1 to 1.4 percent, less than the 2.3 percent national average decline.

The greatest regional reduction was 4.0 percent in the West North Central area. Although cow numbers in Minnesota and North Dakota fell only 2 percent, all other States in this area had drops exceeding the national average, ranging from 4.0 percent in Iowa to 7.4 percent in Nebraska.

Among the South Atlantic States,
(Continued on Back Page)

More Cows In Herd Improvement Program Than Ever Before

The Dairy Situation, Economic Research Service
USDA, February 1963

More dairy cows were enrolled in the National Cooperative Dairy Herd Improvement Program last year than ever before — even though the total number of dairy cows on U.S. farms continued to decline, the U. S. Department of Agriculture reports.

These DHIA cows also reached a new peak in milk production last year. They averaged 11,032 pounds per cow — 4,149 pounds more than the average for non-DHIA cows, says Robert H. Miller, dairy husbandman of USDA's Agricultural Research Service.

There were 2,783,500 cows in the DHIA program in 1962, or 16.3 percent of the dairy cow population. Enrollment was up about 56,000 animals, even though there were 312,000 fewer dairy cows on U.S. farms than in 1961.

This greater enrollment reflects the increased interest of dairymen in DHIA record-keeping programs. The records provide information that helps them feed each cow according to its production, cull poor producers, select good breeding-herd replacements, and reduce costs of milk production.

These practices raise milk yields
(Continued on Back Page)



Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	
Producers' Uniform Price (4%)	
Class I (3.5%)	
Class II (3.5%)	
Class III (3.5%)	
Class IV (3.5%)	
Producer Butterfat Differential for each one-tenth percent	

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	
Percent of Producer Butterfat in Class I	
Percent of Producer Milk in Class II	
Percent of Producer Butterfat in Class II	
Percent of Producer Milk in Class III	
Percent of Producer Butterfat in Class III	
Percent of Producer Milk in Class IV	
Percent of Producer Butterfat in Class IV	

PRODUCER MILK RECEIPTS

Total Pounds of Producer Milk Delivered	
Average Daily Class I Producer Milk	
Total Number of Producers	
Average Daily Receipts per Producer	
Average Butterfat Test	
Total Value of Producers Milk at Test	
Income per Producer (7 day average)	

GROSS CLASS USE (Pounds)

Class I Skim	
Class I Butterfat	
Class I Milk	
Class II Skim	
Class II Butterfat	
Class II Milk	

AVERAGE DAILY SALES (Quarts)

Milk	
Buttermilk	
Chocolate	
Skim	
Cream	

March 1963	Feb. 1963	March 1962
\$3.95	\$4.03	\$4.20
4.31	4.39	4.575
4.11	4.21	4.40
3.702	3.801	4.011
3.663	3.652	3.849
3.063	3.052	3.249
7.2¢	7.2¢	7.5¢
78.6	79.0	77.2
71.6	71.7	71.8
8.4	6.8	8.8
2.3	1.8	2.5
3.5	2.7	3.0
7.6	7.2	4.0
9.5	11.5	11.0
18.5	19.3	21.7
38,328,637	34,477,158	34,362,548
972,276	972,072	855,784
1,383	1,385	1,328
894	889	835
3.88	3.94	3.89
\$1,615,666.24	\$1,493,523.47	\$1,542,522.15
\$263.79	\$269.59	\$262.28
29,075,317	26,274,993	25,570,815
1,065,240	973,172	958,487
30,140,557	27,248,165	26,529,302
3,267,811	2,415,861	3,120,000
34,487	24,949	33,153
3,302,298	2,440,810	3,153,153
323,144	327,637	312,955
4,473	4,581	5,067
16,477	17,833	16,759
12,293	13,086	12,576
8,382	8,616	8,928

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA



March, 1954 - '63

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1954	24,837,916	3.97	69.0	14.9	16.1	—	4.06	4.303	3.903	3.427	—	2,214	362
1955	24,673,521	3.88	73.4	9.6	8.3	8.7	4.00	4.228	3.828	3.828	3.152	2,110	377
1956	26,122,629	3.85	73.1	10.8	8.0	8.1	3.97	4.20	3.80	3.80	3.124	2,069	407
1957	24,561,765	3.77	83.6	10.8	2.8	2.8	4.46	4.566	4.166	4.066	3.063	1,918	413
1958	25,204,863	3.78	80.9	10.1	3.9	5.1	4.34	4.493	4.093	3.993	3.070	1,833	444
1959	24,683,556	3.81	85.2	10.2	1.2	3.4	4.28	4.394	3.994	3.894	2.871	1,687	472
1960	28,724,747	3.98	82.5	8.6	2.2	6.7	4.24	4.419	4.019	3.697	2.981	1,704	544
1961	31,091,341	3.77	76.2	8.4	1.9	13.5	4.20	4.44	4.04	3.804	3.090	1,459	687
1962	34,362,548	3.89	77.2	8.8	3.0	11.0	4.20	4.40	4.011	3.849	3.249	1,328	835
1963	38,328,637	3.88	78.6	8.4	3.5	9.5	3.95	4.11	3.702	3.663	3.063	1,383	894

Retail Prices of Dairy Products Slightly Below A Year Ago

The Dairy Situation, Economic Research Service USDA, February 1963

Average prices paid by consumers for whole milk, both in stores and delivered to homes, are running slightly below a year ago. The price per quart delivered to homes, as reported by the Bureau of Labor Statistics, was 26.0 cents per quart in December compared with 26.5 in December 1961. During the first quarter of 1963, the price is likely to continue to average lower than a year earlier by one-fourth to one-half cent per quart. Prices consumers pay at stores also are running about one-fourth cent under 1962.

The retail price of ice cream in half-gallon packages, which last June was 85.5 cents, or 1 cent under a year earlier, was only four-tenths cent lower in December. The price per half-gallon of ice cream probably

will continue near year-ago levels during most of 1963, assuming no change in the support program.

Prices consumers pay for butter probably reflected better than any other dairy product the April 1 drop in support level. Butter prices have averaged 1.4 cent per pound under a year earlier since April 1, 1962. This difference likely will continue through the first quarter of 1963, but prices in months thereafter are expected to be very close to the 1962 level, assuming that price supports remain unchanged.

The average retail price reported for cheese represents prices that consumers pay for cheese in half-pound packages. Since packaging cheese represents a service to consumers, it also adds to the margin and makes

the price of cheese in half-pound packages less responsive to changes in the price at farm level than the price of butter. Cheese prices declined an average of only one-tenth cent below 1961 during the last 9 months of 1962 and are expected to be close to 1962 levels during the rest of this year.

Prices for 14½-ounce cans of evaporated milk are averaging about three-tenths cent below the 1962 level. During the last 9 months of 1962 this price averaged four-tenths cent under a year earlier.

Margarine prices declined in 1963 to 28.4 cents per pound from an average of 28.6 in 1961. This was in response to the decline in per capita consumption of margarine, as well as to heavy supplies of food fats and oils.

Use of Milk In Manufactured Products Down Since June 1962

The Dairy Situation, Economic Research Service USDA, February 1963

During the first 5 months of 1962, more milk was used for manufacturing than in the same months of 1961. However, from June to December 1962, manufactured dairy products took less milk than in the same months of 1961.

In all of 1962, about 1 percent more milk was used in major manufactured dairy products than in 1961. The increase was used for butter, along with milk diverted from other products such as cheese, evaporated and condensed milk, and dry whole milk, which utilized less milk in 1962

than 1961.

Based on monthly data, creamery butter production in 1962 was 1,542 million pounds, up 4 percent from 1961; cheese production, 1,571 million pounds, down 4 percent; evaporated milk, 1,923 million pounds, down 9 percent; ice cream, 702 million gallons, up 1 percent; and dry whole milk, down 1 percent to 80.9 million pounds. Nonfat dry milk for human food production rose 8 percent from 1961 to 2,171 million pounds in 1962.

Indications are that in 1962 about

the same amount of milk was available for uses other than in the major manufactured products as in 1961. This indicates that final figures for 1962 are likely to show small gains in the use of fluid milk and cream from commercial sources, but little change in total use of milk in all forms. Present data indicate a small decline in per capita consumption of fluid milk and cream. Total sales of fluid milk and cream reported for major markets indicate that, in terms of milk equivalent, 1962 sales were about 1 percent above 1961.

HERD IMPROVEMENT . . .

(Continued from Front Page)

and lead to increased profits, DHIA statistics reveal. For example, feed costs are about \$2.30 per 100 pounds of milk produced in herds averaging only 7,000 pounds of milk per cow. In herds averaging more than 11,500 pounds, this cost drops to \$1.75 or less. Feed costs represent about half the dairymen's cost of producing milk.

Three record-keeping plans are available to dairymen participating in DHIA — Standard DHIA, Owner-Sampler, and Weigh-a-Day-a-Month.

Two million cows are now in the Standard plan, a 2.5 percent increase over 1962; more than 725,000 cows are in the Owner-Sampler plan, a 4 percent increase; and about 69,000 are in the Weigh-a-Day-a-Month plan, a 2.6 percent decrease from 1962.

The Weigh-a-Day-a-Month plan is designed to introduce dairymen to record keeping. Farmers frequently start in this plan then shift to one of the others.

DAIRY PAYROLL . . .

Dairy, including fluid milk, concentrated and dried milk, natural cheese, creamery butter, ice cream, and special dairy products—292,000 employees and a payroll of more than \$1.3 billion.

DROP IN MILK COWS . . .

(Continued from Front Page)

cow numbers were down from a year earlier by 6.7 percent in West Virginia; 4.0 percent in Virginia, and 3.1 percent in Florida. Numbers in the remaining 5 States in the area dropped less than the national average.

The South Central States reported an average 3.3 percent lower numbers of milk cows and heifers, with the declines ranging from 9.1 percent in Oklahoma to 0.9 percent in Kentucky.

Replacement dairy stock on Jan-

uary 1 was 2.6 percent below last January, but declined only slightly as a percentage of milk cows. The decline in the ratio of 1-2 years old heifers to the numbers of milk cows was about the same as or above last January in the Northeast, Lake, Corn Belt, and Northern Plains States but lower in the Appalachian, Southern, and Western States. Indications, therefore, are that downward changes are likely in the latter groups of States, while the extent of change in the Northeast, Lake, Corn Belt, and Northern Plains regions will depend on liquidation rather than the availability of replacement stock.

Market Quotations

MARCH
1963

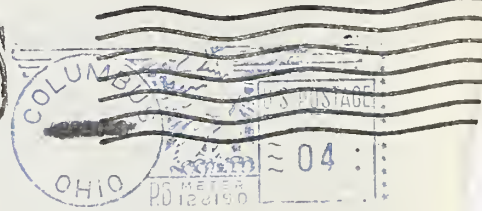
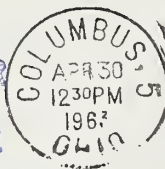
MINNESOTA - WISCONSIN PRICE SERIES	\$3.09
MIDWEST CONDENSERIES 3.5% per Cwt.	3.059
4 CONDENSERIES (Tri-State) 3.5% per Cwt.	2.80
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.113
Skim Milk Powder-Butter Price 3.5% per Cwt. (Tri-State)	3.012
Average Weekly Cheddars price per lb.	.3379
Average price per lb. 92-score butter at Chicago	.5797
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant	.1407

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BE STRONGER
LIVE LONGER
DRINK MILK



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